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FINANCING OF THE UNITED NATIONS ANGOLA VERIFICATION MISSION

Report of the Advisory Committee on Administrative and Budgetary Questions

Addendum

1. The Advisory Committee on Administrative and Budgetary Questions has considered the report of the Secretary-General on the financing of the United Nations Angola Verification Mission (UNAVEM III) for the period from 1 July 1996 to 30 June 1997 (A/50/651/Add.3). During its consideration of the report, the Advisory Committee met with representatives of the Secretary-General, including the Chief Administrative Officer of the Mission.

2. For the 12-month period from 1 July 1996 to 30 June 1997 the Secretary-General estimates that expenditure would amount to $335,140,000 gross ($328,230,000 net). As indicated in the summary of the report, this "reflects a 1 per cent decrease in gross terms in comparison with resources for the preceding 12-month period, from 1 July 1995 to 30 June 1996, of $338,629,000 gross ($332,641,000 net)". However, the Advisory Committee points out that the estimated expenditure for the period from 1 July 1996 to 30 June 1997 is comparable to the prorated expenditure for the current period (from 1 January to 30 June 1996).

3. In this connection, the Advisory Committee recalls that for the period ending 30 June 1996, the General Assembly, by its resolution 50/209 of 23 December 1995, had authorized the Secretary-General to enter into commitments at a rate not to exceed $28,229,100 gross ($27,730,100 net) per month for the maintenance of the Mission; the estimates for this period did not include non-recurrent expenditure such as that required for mine clearing and infrastructure repairs. As can be seen from annex I to the report of the Secretary-General, the estimates for the period from 1 July 1996 to 30 June 1997 are also mainly a continuation of recurrent expenditure for the Mission. As

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indicated in paragraph 20 of the report, non-recurrent costs for the budgeted period relate mainly to freight charges for transfer of vehicles from other missions and acquisition of equipment.

4. The Advisory Committee points out that in March 1996, in a letter from the Controller, the Advisory Committee was asked to concur in a request to roll over an amount of $9,746,100 from the financial period ending 31 December to the period from 1 January to 30 June 1996. As stated in the Controller's letter, owing to delays in the deployment of qualified civilian personnel to the Mission area and the disarmament of a lower than anticipated number of União Nacional para a Independência Total de Angola (UNITA) troops because of the continuing disagreements between the two parties involved in the conflict, the implementation of certain projects and procurement of certain essential start-up requirements had not been completed as planned. Resources totalling $9,746,100, under infrastructure repairs ($469,000), the mine-clearing programme ($3,102,100) and assistance for disarmament and demobilization ($6,175,000), remained unutilized as at 31 December 1995. As stated in the letter, resources for activities that continue to be essential to the implementation of the responsibilities and mandate of UNAVEM were not available within the budget for the period from 1 January to 30 June 1996. As a result, the concurrence of the Advisory Committee had been sought to roll over the amount.

5. The Advisory Committee concurred in the Secretary-General entering into commitments not to exceed $9,746,100 gross during the period from 1 January to 30 June 1996, on the understanding that there would be no additional appropriation for that purpose and that the financing of the expenditure for these commitments would be derived from the appropriations for the period ending 31 December 1995.

6. In order to evaluate better the requirements for the period from 1 July 1996 to 30 June 1997, the Advisory Committee requested, but did not receive, up-to-date information on the financial performance of the Mission for the period ended 31 December 1995. With regard to the status of assessed contributions for the Mission, the Advisory Committee was informed that as at 20 March 1996 total contributions received amounted to $426.7 million, while outstanding assessments amounted to $115.5 million. As indicated in paragraph 17 of the report of the Secretary-General, full reimbursement in accordance with the standard rates established by the General Assembly for troop costs has been made to Governments through 31 July 1995; an estimated amount of $32.2 million is due for troop costs for the period from 1 August to 31 December 1995.

7. The Advisory Committee notes that the proposed budget for the period from 1 July 1996 to 30 June 1997 provides for the maintenance of UNAVEM III with a strength of 7,000 military contingent personnel, 350 military observers, 260 civilian police observers, 714 civilian personnel (417 international and 297 local) and 75 United Nations Volunteers. As indicated in paragraph 23 of the report of the Secretary-General, while the total number of civilians remains at 714 personnel, the composition of the staff at Mission headquarters and regional headquarters has been reconfigured to "better address current operational requirements". As a result, the Secretary-General has requested 57 additional international staff (3 P-3, 5 P-2/P-1, 27 General Service and 22 Field Service).

This increase is offset by the reduction of 57 posts (5 General Service (Principal level) and 52 local level). Of these 57 posts, 5 General Service (Principal level) posts have been replaced by five General Service (Other level) posts. The Advisory Committee notes that the related additional cost for the 52 international posts which are to replace 52 local staff amounts to $5,051,000, consisting of salary ($1,682,700), common staff costs ($1,493,400), mission subsistence allowance ($1,233,700) and staff assessment ($641,200). The Advisory Committee was informed that this included accommodation costs but did not include other related costs for 52 additional international personnel in the field.

8. The Advisory Committee points out that the report of the Secretary-General does not provide sufficient justification for the reconfiguration and the related additional expenditure. Instead, the information contained in paragraph 23 of the report suggests that the awarding of a logistics contract has necessitated additional "support services for the supervision and monitoring of the tasks performed by the logistics contractor", when, in fact, a contract of this nature would be expected to release staff resources for other purposes. The Advisory Committee requested detailed information regarding the functions of the existing staffing component of 57, as well as the proposed component. The rationale for replacement of 52 local level posts with an equal number of international posts (mainly at the General Service and Field Service levels) has not been justified, especially with regard to those posts that will be involved in monitoring and supervising the logistics contractor. Under the circumstances, the Advisory Committee recommends acceptance of the proposal to delete 52 local level posts, as these are no longer needed. However, the Advisory Committee believes that action on establishing new posts should await further justification from the Secretary-General. In this connection, the General Assembly may wish to decide that the Secretary-General be authorized to establish up to 52 new international posts with the prior concurrence of the Advisory Committee. In the meantime, provision for the posts, estimated at $5 million, should be deleted from the budget.

9. With regard to the strengthening of the Finance, Procurement and General Services Section, as indicated in paragraph 23 of the report, the Advisory Committee recalls its comments in its report of 12 December 1995, in which it had indicated that it was not convinced that the difficulties in the area of administration were the result of a lack of posts; the Advisory Committee believed that they were due mainly to delays in recruitment (A/50/814, para. 16). In this connection, the Advisory Committee was informed that the vacancy rate for the civilian personnel component of the Mission as at 29 February 1996 was 16 per cent, as compared to 43 per cent as at the end of October 1995. In view of this, the Advisory Committee understands that the situation has improved.

10. In its report of 12 December 1995, the Advisory Committee had also questioned the organizational structure of the Division of Administration and Management in the Mission, pointing out that the budget submission should have provided a description of the functions performed by the staff, and recommended that the Secretary-General review the structure (ibid., para. 17). The Advisory Committee does not believe that the Secretary-General's response as indicated in

paragraph 30 of his report has adequately addressed the Advisory Committee's concerns.

11. Paragraph 15 of the report of the Secretary-General provides an update on election-related activities and resources requested for that purpose in response to the Advisory Committee's queries in paragraph 15 of its report (A/50/814). The Advisory Committee notes that owing to the lack of progress in the electoral mandate of UNAVEM III, no activity was undertaken in this regard. The Advisory Committee was informed, however, that 11 of the 12 posts (with the exception of the D-1 post for which no resources have been included in the current estimates) had been redeployed to administrative and logistics support. On inquiry, the Advisory Committee was informed that, when election-related activities resume, a request for additional posts will be submitted with related implications on the budget estimates. The Advisory Committee believes that adequate explanation and justification should have been provided for the addition of the 11 posts to administrative functions. Bearing in mind what it has stated in paragraph 8 above with regard to the request for 52 additional international posts, the Committee does not object to the transfer of the 11 posts at this time. However, the Committee will revert to this issue in the context of its re-examination of the request for additional posts.

12. In its report, the Advisory Committee had requested the Secretary-General to re-examine the staffing structure of the Unit for Coordination of Humanitarian Assistance, with a view to financing some of the posts of the Unit from voluntary contributions (A/50/814, para. 14). The Advisory Committee notes that paragraph 28 of the report of the Secretary-General under consideration indicates that, in addition to the 134 posts that are being financed through assessed contributions, there are 56 additional posts being financed from voluntary contributions and an additional 20 staff on secondment from specialized agencies and non-governmental organizations. The report does not indicate any attempt to finance some of the 134 posts from voluntary contributions. Furthermore, on inquiry, the Advisory Committee was informed that as of 29 February 1996, total voluntary contributions (including pledges) available to the humanitarian programme, including for demobilization and reintegration activities, amounted to $145,273,539. The Advisory Committee points out that the ratio of a total of 210 posts for coordination in relation to the level of resources available for the operation, appears excessive.

13. The Advisory Committee recalls that the staffing requirements of 36 posts for the Public Information Section of UNAVEM were based on the assumption that UNAVEM would operate its own radio station. However, the Advisory Committee had recommended in its report that if no progress in the establishment of the radio station was achieved, the staffing situation should be reviewed and the results of the review be reflected in the next budget submission for UNAVEM III (A/50/814, para. 18). Notwithstanding the reasons given in paragraph 31 of the report of the Secretary-General, since UNAVEM has not been given permission to operate its own radio station, the Advisory Committee believes that there is insufficient justification in the report for the continuation of all 36 posts in the public information section.

14. The Advisory Committee also recalls that an amount of $1.5 million had been requested by the Secretary-General in his report of 6 June 1995 (A/49/433/Add.1)

for purchase of equipment, including transmitters and other related equipment, for the establishment of a radio station for UNAVEM III. On inquiry, the Advisory Committee was informed that, of this amount, an expenditure of $148,000 has been incurred for the purchase of equipment which could not be obtained through transfers. However, a large quantity of radio station equipment, including prefabricated containers, antennas, transformers and other related equipment has been transferred to UNAVEM from the United Nations Logistics Base and from other peace-keeping missions. With the exception of equipment required to produce UNAVEM programmes for broadcast on Angolan radio and television stations, the rest of the equipment is in storage in the Mission area.

15. With regard to assistance for disarmament and demobilization activities, no request has been made for resources for the period from 1 July 1996 to 30 June 1997, on the premise that quartering of troops would have been completed; although quartering of troops began in November 1995, the process was almost a year behind schedule. The Advisory Committee recalls that in its report it had recommended that for the period from 9 February to 31 December 1995, the cost of rations related to the quartering process be approved at the level of $9 million (A/50/814, para. 31). As indicated in paragraph 4 above, an amount of $6,175,000 has been rolled over into the period from 1 January to 30 June 1996, mainly because of the delays in quartering. The Advisory Committee was informed that of the estimated 60,000 troops, about 18,000 had been quartered.

16. In this connection the Advisory Committee also notes the comments in paragraph 12 of the report of the Secretary-General to the Security Council (S/1996/171 and Corr.1) that UNAVEM had observed that individuals had been forcibly recruited for quartering and that some UNITA troops arriving in the quartering areas were below or above the usual age for military service. The Advisory Committee trusts that a protracted process of quartering of troops does not lead to unnecessary and excessive expenditure. The Advisory Committee also recommends that voluntary contributions for this purpose should continue to be sought.

17. The Advisory Committee notes from annex I to the report of the Secretary-General (A/50/651/Add.3) that the estimated costs for premises/accommodation amount to $13.2 million, as compared to the prorated cost estimates of $7.3 million for the 12-month period from 1 July 1995 to 30 June 1996. Of the $13.2 million, an amount of $10.5 million has been estimated for rental of premises. In addition, facilities are being provided by the Government of Angola as listed in annex I to the report of the Advisory Committee (A/50/814).

18. On inquiry, the Advisory Committee was informed that the cost of rentals was high; an amount of $885,506 per month was being paid for rental of 862 rooms. However, steps were being taken to lower this expenditure by accommodating personnel in alternative facilities such as staff camps, which would eventually accommodate 200 people; currently the staff camp houses 60 personnel. The Advisory Committee recommends that the situation with regard to rental policies be closely monitored, bearing in mind the expected duration of the UNAVEM mission.

19. The Advisory Committee notes from annex I of the report that the total estimate for air operations is $31.4 million, as compared to $40.6 million for the previous 12-month period. The Advisory Committee notes from annex II.D of the report that this was due to the reduction of one Lockheed L-100 and an increase in requirements on the Ilyushin IL-76. However, the Advisory Committee was informed that, owing to recent developments in the area, such as inaccessibility of roads and bridges, additional air services may be required. In this connection, given that there would be less use of land transportation, the Advisory Committee believes that before additional resources for air operations are requested, resources made available for land transportation, including for such items as spare parts and petrol, oil and lubricants, should be utilized.

20. The Advisory Committee notes the increase of about $1 million in the estimates for security services. As indicated in paragraph 7 of annex II.D of the report, an additional 118 security personnel at a salary rate of $705 per person per month have been proposed for a total of 354 personnel in this category. The Advisory Committee trusts that with this increase, there will be a decline in the incidence of loss and pilferage of United Nations assets and better protection of its personnel.

21. The Advisory Committee notes from annex I to the report that an amount of $18.1 million has been estimated for contractual services. The Advisory Committee understands that this is a continuation of the contract for logistics support services signed in July 1995. The Advisory Committee recalls that in its report on the United Nations Assistance Mission for Rwanda (UNAMIR) (A/49/501/Add.1, para. 56) it had requested that the cost of labour (both expatriate and local and in terms of numbers and levels) and the costs of subcontracts, materials, etc., within the contract be identified. The Advisory Committee had also observed that the costs indicated for contractual services did not reflect the full cost of acquiring contractual services, since the Mission provided the contractual personnel with living and office accommodation, vehicles, communications, security, etc. The Committee had recommended that such "hidden" costs be identified as well. The Committee regrets, however, that such comprehensive details with regard to estimates for contractual services have not been provided.

22. With regard to the procurement of rations and food supplies from local and regional sources, the Advisory Committee notes the comments in paragraph 27 of the report of the Secretary-General. However, the Committee reiterates its recommendation that the option of procuring supplies from the area should be vigorously pursued with a view to diminishing expenditure.

23. As indicated in paragraph 19 of the report, as well as in annex II.A, while some 30 per cent of the requirements for UNAVEM III is based on standard cost ratios, approximately 70 per cent is mission-specific. In view of this, the Advisory Committee trusts that the financial performance report would compare the actual expenditure with this Mission as it relates to the specific budgeted amounts.

24. The Advisory Committee points out that the usual provision for payment to the support account for peace-keeping operations has not been included in the

report. The Advisory Committee notes that the Secretary-General has proposed a new funding mechanism in his report in document A/50/876. The Advisory Committee was informed that, had provision been included in this budget for the period from 1 July 1996 to 30 June 1997, it would have amounted to $4,171,500.

25. With regard to the actions to be taken by the General Assembly as indicated in paragraph 35 of the report of the Secretary-General, the Advisory Committee recommends approval of the following:

(a) The appropriation of the amount of $65,912,903 gross ($63,067,742 net) for the financing of UNAVEM III for the period from 9 August to 31 December 1995, already authorized and assessed under the terms of resolution 49/227 B of 20 July 1995;

(b) The appropriation of the amount of $84,687,300 gross ($83,190,300 net) for the maintenance of UNAVEM III for the period from 9 February to 8 May 1996, based on commitment authorization contained in resolution 50/209;

(c) The assessment of an additional amount of $8,468,700 gross ($8,319,000 net) for the period from 9 February to 8 May 1996, taking into account the amount of $76,218,600 gross ($74,871,300 net) already assessed;

(d) The appropriation and assessment of the amount of $47,988,900 gross ($47,140,600 net) for the maintenance of UNAVEM III for the period from 9 May to 30 June 1996, subject to the extension of the mandate of the Mission by the Security Council;

(e) With regard to the period from 1 July 1996 to 30 June 1997, as requested in paragraph 35 (e) of the report, bearing in mind its recommendations in paragraph 8 above, the Advisory Committee recommends the appropriation of the amount of $330,140,000 gross for the maintenance of the Mission, to be assessed at the monthly rate of $27,928,300 gross subject to the extension(s) of the mandate of UNAVEM III by the Security Council.